Average Maturity period of loan	All-in-cost ceilings over 6 month LIBOR*
Three years and upto five years	150 basis points p.a.
More than five years	250 basis points p.a.

*London Interbank offered rate *for the respective currency of borrowing or applicable benchmark.*

The all-in-cost ceiling include rate of interest, and other fees and expenses payable in foreign currency except commitment fees, prepayment fee and fees payable in Indian Rupees.

The above mentioned ceiling denotes the maximum cost permissible for raising ECB. Indian Companies are permitted to raise foreign currency loans at rates lower than the ceiling mentioned above.

Target based remuneration system for PSU employees

366. SHRI P.R. RAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government are implementing target based remuneration system for the employees in PSUs; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The information is being collected and will be laid on the Table of the house.

Thrust to less capital intensive sectors

367. SHRIMATI SUPRIYA SULE: Will the Minister of FINANCE be pleased to state:

(a) whether sectors that are less capital and infrastructure intensive such as food processing, leather products, footwear, textiles, tourism and construction are likely to get more government support and incentives;

(b) if so, whether these labour-intensive sectors hold the promise of job creation in rural areas and would go a long way in alleviating poverty, as per the economic survey;

(c) if so, what are the main thrust that Government have given to these sectors during the recent budget; and

(d) by when, these schemes are likely to be implemented?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) Government has been encouraging industries in general by providing an enabling macro economic environment; non distortionary and internationally competitive tax rates; and infrastructure support. Initiatives taken for the development of food procession, leather products, footwear, textiles, tourism and construction in Budget, 2007-08 include:

1. Technology Upgradation funds scheme for textiles is proposed to be continued in the Eleventh Five Year Plan;

2. Additional integrated textiles Parks have been sanctioned for enabling textile sector to meet global demand;

3. A cluster approach for the development of handlooms sector was introduced in 2005-06. Addition 100-150 clusters are proposed to be taken up in 2007-08;

4. A credit policy for small and medium enterprises was announced in August, 2005. As a result of this outstanding credit to SMEs increase from Rs. 135,200 crore at the end of December 2005 to Rs. 173, 460 crore at the end of December, 2006;

5. Excise duty exemption limit for small scale industries was raised to Rs 1.5 crore;

6. Biscuits whose retail sale price does not exceed Rs 100 per kilogram have been exempted from excise duty. All kinds of food mixes including instant food mixes have also been exempted from excise duties;

7. Excise duty on part of footwear was also reduce from 16 per cent to 8 per cent;

Tax incentives to housing sector and emphasis on road connectivity are providing a boost to the construction and tourism activities.

Income given to States from divisible pool

†368. SHRI LALIT KISHORE CHATURVEDI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the income received from service tax has not been kept in divisible pool with the State Governments;

(b) the amount of income given to the State Governments, if it is in the divisible pool alongwith State-wise and year-wise details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir. As recommended by the 12th Finance Commission in para 7.36, service tax is part of the divisible pool of net proceeds of all sharable central taxes. Presently service tax is not leviable in the State of Jammu & Kashmir and its proceeds are, therefore, not assignable to this State.

(b) The details showing the share of net proceeds of Service Tax devolved to State Governments for the last three financial years is given in the Statement (*See* below).

(c) The question does not arise.

†Original notice of the question was received in Hindi.